



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 482.12.178

CONVERSION DATE: July 1, 1998

MEANING OF "RESALE . . . IN THE REGULAR COURSE OF BUSINESS"

Issued July 31, 1974

According to RCW 82.04.050

"Sale at retail" or "retail sale" means every sale of tangible personal property . . . to all persons irrespective of the nature of their business . . . other than a sale to a person who (a) purchases for the purpose of resale as tangible personal property in the regular course of business . . . (Emphasis supplied)

The Department has held that to determine that a sale is for resale, it must be determined that the purchaser is actually and regularly engaged in selling the type of property purchased, is registered with the Department of Revenue and reporting the appropriate taxes, and that at the time of the transaction the purchaser intended the sale to be for resale without intervening use by the purchaser.

The above means, for example, that a sale to a doctor of office furniture is not a sale for resale, even if the doctor subsequently resells the furniture, because the doctor is not regularly engaged in selling office furniture. Therefore, the doctor must pay either sales tax on the purchase of the furniture or use tax on its use, as the above described sale would be a "retail sale."

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov